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TAGS: [PGOV](#) [PREL](#) [EINV](#) [EPET](#) [PINR](#) [BH](#)  
SUBJECT: (C) BELIZE: WHAT WE CAN EXPECT FROM THE BARROW  
GOVERNMENT

REF: 07 BELMOPAN 287

Classified By: Charge Leonard A. Hill for reason 1.4(d)

11. (C) SUMMARY: Based on his comments to us and his initial actions and appointments since taking office, we are hopeful that Prime Minister Dean Barrow and his newly-elected government will offer more opportunities to advance important bilateral issues than the previous government. Barrow's priorities will include tight control over public monies, populist economic programs and good relations with neighboring countries, the U.S. and aid donors. Transformation of the culture of corruption with impunity, which had become pervasive in recent years, will be a crucial area where we should try to help. END SUMMARY.

12. (C) Our initial assessment is that Belize's change in government should be generally positive for bilateral relations. Prime Minister Dean Barrow campaigned on an anti-corruption "reform agenda" and will seek to run a clean administration and keep a close eye on his cabinet ministers to ensure they do not succumb to temptation where public funds are concerned. Many elected officials and senior policy advisers, including the Prime Minister, have studied in the United States and some have lived and worked there. He values good relations with us and is appreciative of what the U.S. has done to help Belize. He also wants to keep Belize on good terms with neighboring countries and aid donors.

#### PERSONAL STYLE

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13. (C) Barrow is more outgoing and gregarious than his predecessor, and in our experience has been accessible and open to dialogue. He and his party do not seem to be carrying the same intellectual baggage of trendy third-world anti-Americanism and a romantic vision of Fidel's Cuba as a number of senior officials in the previous People's United Party (PUP) government did. In our experience he has not always agreed with our positions but has been open hearing our point of view and engaging in discussion. His years in the courtroom and the National Assembly have helped him polish his speaking and debating skills to a high level.

14. (C) In our experience Barrow has followed through on what he told us, whether about his campaign strategy or foreign policy priorities. He has been a straightforward, "what you see is what you get" sort of person. He has a reputation for being a "hand-on" manager who involves himself in all aspects of the government. He has told us that he intends to avoid making the mistake of the previous UDP Prime

Minister, Manuel Esquivel, in not paying enough attention to ethical transgressions by government officials and cabinet members.

#### NOT MUCH BENCH STRENGTH

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15. (C) The "Minister for everything" in the last UDP government will have a lot on his plate as he now heads his own administration. Barrow has a large caucus, in the National Assembly, with a greater than two-thirds majority that will allow him to amend the Constitution without opposition support. Nevertheless, his team is relatively inexperienced, having been out of power for a decade. We expect that there will be a considerable learning curve as the new Ministers organize their offices and learn how to draft legislation and work the machinery of government.

16. (C) Barrow has sought to address the lack of experience on his front bench by appointing a number of credible Chief Executive Officers (Deputy Minister equivalents). Although the CEO system, brought in by the previous government to replace the British style Permanent Secretary system, has clearly contributed to politicization of the public service, Barrow did keep on a number of respected CEOs from the PUP government. A number of the other CEOs are well known to us and generally have good reputations for efficiency and integrity. A solid group of deputies will be essential as the new Ministers learn their jobs.

17. (C) The new Prime Minister heads a diverse party that is more united by a desire to replace the PUP than by any particular ideology. On the positive side this means we will likely find the UDP government to be pragmatic when it comes to policy choices. On the negative side it means that there

is little holding the party together now that the Musa government has gone down to defeat other than Barrow's leadership. We can expect to see, perhaps fairly early on, some public disagreements on policy in various areas. Barrow will try to keep a tight grip on his party, but with the unifying factor of the PUP out of the picture for now the tendency to fraction will emerge.

#### POLICY PRIORITIES -- DOMESTIC

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18. (C) Barrow won election, and a huge majority in the National Assembly, on the basis of an anti-corruption platform that captured the mood of the country after repeated scandals in the PUP government. During the campaign the UDP revealed a 21 point manifesto detailing the party's domestic priorities. The manifesto included a list of specific tax reductions and spending programs aimed at winning over specific blocs of voters. The general population was promised utility rate reductions, reduced mortgage rates, and the lowering of fuel and GST tax rates. Lower earners were guaranteed the elimination of income tax, new government housing programs, and immediate title to government owned small housing and agricultural lots. Students were assured that they would receive subsidies for school fees, a national feeding program for primary schools, and an extensive youth development program to combat gang violence and provide jobs, counseling, and sports opportunities.

19. (C) Political reforms: Barrow has called for the immediate implementation of a reform agenda. The agenda would provide recall mechanisms for elected officials, prosecution under an unjust enrichment law, and an empowered Senate. It is not clear if any unjust enrichment law would apply retroactively to outgoing government officials who are accused of siphoning off millions of dollars. Here, the government would do well to implement tough rules and go after the most egregious cases from the previous administration. However, they must be careful to not politicize the reform agenda. Barrow seemingly plans to dismiss the senate referendum as a political ploy and continue with his plan to merely expand the current senate by

one member ) that member being appointed by an NGO.

¶10. (C) On the downside, Barrow's election promises and the aspirations of his caucus members may not be economically sustainable. The manifesto contains a number of populist ideas that may in the end prove to be too much for Belize's small economy to handle. With a sovereign debt default barely avoided last year and the national debt over 100% GDP, there won't be too many spending options. Still, if he does manage to reduce the "leakage" of government funds into private hands there will certainly be a lot more available for infrastructure and jobs creation than there has been in recent years. That being said, Barrow has to struggle with the result of the last time his party was in power.

¶11. (C) The economically prudent policies of the previous UDP administration led to ten years in opposition. By all accounts the government balance sheet was much improved by a UDP administration that paid for their good sense with a loss at the polls. During this year's election, the primary slogan of the rival campaign was still &PUP hire / UDP fire8. This was a reference to more than a decade earlier when the UDP government reduced expenditures by eliminating excess government positions. The electorate tends to have a &what have you done for me8 attitude that doesn't easily defer to broad macroeconomic goals.

#### POLICY PRIORITIES -- FOREIGN

¶12. (C) Barrow has been Foreign Minister and recognizes the importance of good relations with neighboring countries and aid donors. His approach to foreign relations has so far been pragmatic, and we do not see any major shifts in Belize's foreign policy focus. Caribbean and Central American issues, including trade, will continue to receive most of the government's attention and resources. Issues that are not perceived to have an immediate impact on Belize will not get as much attention. On the central bilateral issue with Guatemala, the border dispute, Barrow seems largely in agreement with his predecessor that the path of negotiation has gone about as far as it can, and the next step should be a referendum in both countries asking public approval for a referral to the International Court of Justice.

¶13. (C) Barrow seems to have no particular admiration for Cuba's leadership or administration, although others in his caucus, including his new Foreign Minister/Attorney General, may take a more romantic view of Fidel. Still, we think it unlikely that Barrow will spurn Cuban doctors or scholarships for Belizeans, nor will he change longstanding policy on issues like the UN's annual Cuban embargo resolution. Regarding relations with Taiwan, he has made it clear privately to us and publicly that Taiwan has been very generous to Belize and that he has no inclination to switch and recognize the People's Republic. He has been quite upfront in saying that he thinks Belize gets much more from Taiwan than it would from the PRC.

¶14. (C) The Musa government took advantage of Venezuelan largesse wherever possible, joining Petro Caribe and accepting loans and grants, one of which seemed timed primarily to buy the February 8 election. While not happy with the assistance provided to his opponents, Barrow has struck a conciliatory tone regarding Venezuela, and will likely take a pragmatic course when deciding what Venezuelan gifts to accept in future.

¶15. (C) We expect that Barrow will ask us for law enforcement assistance in the area of asset recovery, seeking cooperation to help the GOB recover ill-gotten gains from the past government. While he will be generally favorable to improved law enforcement cooperation, he will probably be reluctant to accede too readily to extradition requests, and we may continue to face the same sort of Belizean justice system delays that have plagued the process for years.

¶16. (C) One area that we will have to watch closely is policies regarding foreign investment, particularly in the natural resources sector. Barrow's position on the retroactive taxation plan for energy producers adopted by the previous government seemed to be that the government should tax at even higher levels. This sort of moving the goalposts will have a chilling effect on energy exploration, almost all of which is financed by foreign capital.

#### WHAT CAN WE HOPE TO ACHIEVE?

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¶17. (C) Prime Minister Barrow's comments to us have been encouraging so far. If he continues to follow through on the areas that he indicated were his top priorities, there is a possibility that we can advance the bilateral agenda further than was the case under the Musa government. A key area that we will be watching is Barrow's commitment to weeding out official corruption, something that will be vital to the transformation of one of the most dysfunctional aspects of this society, the culture of corruption with impunity. Misappropriation, theft and diversion of public funds to cronies were serious problems of the PUP government and Barrow has pledged to act to clean up a serious situation. Better governance in Belize would pay significant dividends for the economy and for the development of the country, particularly in improved foreign investment and better development assistance donor confidence and enthusiasm for Belize. We look forward to exploring ways to advance this transformational objective.

¶18. (C) We believe that Barrow will be open to continued security and defense cooperation. Programs in place to help the Belize National Coast Guard, to develop a counterterrorism capability and to train and equip an engineering unit for peacekeeping deployments will continue. We anticipate receiving a formal request for aircraft under the RAMP program. The PUP government spoke of its desire to take advantage of the possibilities available to Belize under the Merida initiative but actually did little that we could see. We will be meeting with Barrow and key cabinet ministers the week of February 18 and will raise Merida and the need for Belize to be more active in the Merida process.

¶19. (C) Improving law and order, especially in Belize City, will benefit not only Belize but also improve the safety of the hundreds of thousands of American tourists who visit every year. We believe Barrow would welcome efforts to improve professionalism and efficiency throughout justice system, from police to prosecutors to the judiciary to the prison. We see this as a fruitful area of cooperation and look forward to expanding the efforts we have already started with recent programs bringing speakers on investigating and prosecuting sexual assault and on domestic violence.

¶20. (C) Counter-narcotics cooperation was a sore point with the previous government. Despite substantial assistance on our part the police seemed unable or unwilling to mount serious investigations of major players. Much of the problem was a perception that higher level players in the Cabinet were opposed to serious action. Small busts of street sellers keep the courts full but do little to address a problem that is not only one of transiting drug shipments to the U.S. but also one of increasing drug addiction and related violence in Belize itself. We will be pushing for better cooperation from the Financial Intelligence Unit, and for better coordination among the police, Coast Guard and Defense Force to make effective use of the assets that we have already provided.

¶21. (C) In sum, we believe that the new government offers a number of opportunities to advance the transformational goals of our Mission Strategic Plan. One key will be the commitment of the Prime Minister to run a clean government and to discipline his own people when necessary.

HILL